CITY OF SEATTLE
DETERMINATION OF NON-SIGNIFICANCE BY
THE DEPARTMENT OF DESIGN, CONSTRUCTION AND LAND USE

Applicant Name: City of Seattle

Address of Proposal: South Lake Union Urban Village, City of Seattle

SUMMARY OF PROPOSED ACTION

The proposal is a legislative action to amend certain Land Use Code provisions applicable in the South Lake Union Urban Village.

The following approvals are required:

SEPA - Environmental Determination - Chapter 25.05, Seattle Municipal Code.

City Council Action, Type V – Chapter 23.76, Seattle Municipal Code

SEPA DETERMINATION: [ ] Exempt [X] DNS [ ] MDNS [ ] EIS

[ ] DNS with conditions

[ ] DNS involving non-exempt grading, or demolition, or involving another agency with jurisdiction

BACKGROUND DATA

Existing conditions

The topography of the South Lake Union Urban Village is "bowl" shaped, with land highest around the perimeters of the neighborhood and lowest in the center, primarily in the vicinity of Westlake and Terry Avenues and down to the shore of Lake Union. The neighborhood is roughly bounded by I-5 on the east, Denny Way on the south, Aurora Avenue on the west and the shoreline of Lake Union to the north. The neighborhood consists of a mixture of building types and uses. These range from residential to industrial and include uses such as maritime, retail, artisan, biotechnical and social services. The neighborhood has served as a commercial and light industrial support area to the city since the 1880s. New development tends to be larger than the existing uses in the neighborhood, providing variation in the scale of neighborhood development. In the

last decade, an increasing amount of high-tech and biotechnical research and development use has occurred in South Lake Union.

Existing zoning

The zoning in South Lake Union is a mixture of designations including Neighborhood Commercial 3 (NC3), Commercial 1 and 2 (C1 and C2), Industrial Commercial (IC) and Seattle Cascade Mixed (SCM).

Commercial zones. The three commercial zones (NC3, C1 and C2) generally provide locations for a range of development types including single purpose commercial structures, multi-story mixed-use development with commercial uses along the street front and multi-story residential structures. Development in NC3 zones is intended to be somewhat more pedestrian-oriented than development in C1 and C2 zones. Height limits in the commercial zones in the area range from forty (40) feet near Lake Union to one hundred and twenty five (125) feet near Denny Way, with heights of sixty-five (65) and eighty-five (85) feet for much of the commercial zoning. A number of different factors are considered when designating the height limit for a specific location, including:

- The character of the surrounding area: higher height districts are appropriate adjacent to or near downtown Seattle.
- Topographical conditions and views: height limits are intended to reinforce the natural topography of the area and are set to reduce the potential of view blockage.

Industrial Commercial Zone. The Industrial Commercial (IC) zone was created to promote development of businesses, particularly technology-oriented uses. Businesses in this zone incorporate a mix of industrial and commercial activities, including manufacturing and research and development, while accommodating a wide range of other employment activities. IC zoning in the South Lake Union neighborhood is centered on Terry, Boren, and Fairview Avenues, and has height limits of sixty-five and eighty-five feet.

Seattle Cascade Mixed Zone. The Seattle Cascade Mixed (SCM) zone is intended to permit flexibility while encouraging residential development in mixed-use structures with particular care paid to the street front. The SCM zone is located east of Fairview Avenue, and has height limits of fifty-five, seventy-five and one hundred and twenty five feet.

PROPOSAL

The Department of Design, Construction and Land Use (DCLU) is proposing to amend the Land Use Code to provide development regulations that recognize the unique needs of biotechnology uses in the South Lake Union Urban Village. Specifically, the following changes are proposed:

1. Height

a. Maximum Building Height. The current height limits do not effectively account for the unique floor to floor height needs of biotechnology that distinguish it from office and other development. Biotech buildings typically need 14 to 16 feet floor-to-floor heights vs.11 to 13 feet for office use. One of the distinguishing features of biotech use is research laboratories, which need tall floor-to-floor heights to make room for special mechanical equipment and duct work. Under the current zoning, biotech uses cannot achieve the same number of floors as other uses without compromising the spatial needs of their research laboratories. This places biotech use at a disadvantage compared to office and other commercial uses.

Proposal:

Allow up to 10 or 20 feet of additional height for biotech development, depending on the zoned height limit, as specified in the following chart:

Zoned Height Limit	Additional Height Permitted*	Maximum Allowed Height	Number of Floors X Floor to Floor Height
65' and 75'	20' for 65' and 10' for 75'	85'	6 floors X 14'or 5 floors X 16'
85'	20'	105'	7 floors X 14' or 6 floors X16'

* Additional height is intended to allow biotech development to accommodate the number of floors possible for other types of development, assuming 14' to 16' floor-to-floor heights.

The proposal would not apply where the mapped height limits are forty feet, along Lake Union and between Mercer and Valley Streets, or one hundred and twenty five feet, near Denny Way.

b. How Building Height is Measured. Maximum building height in South Lake Union zones (Industrial Commercial, Commercial, Neighborhood Commercial, and Seattle Cascade Mixed) is generally measured at each exterior wall from the existing or finished grade (whichever is lower) throughout a property. Conditions on a number of sites in the area have been 'leveled' to allow for surface parking and on sloped sites much of this leveling is in the form of excavation. These sites with "depressions" create a condition that makes it difficult for development to reach the allowed building height at street level.

Proposal:

Apply a height measurement technique similar to that used downtown, using the street frontage of the property to determine building height, for sites in South Lake Union.

2. FAR (Floor Area Ratio)

Allowed development density, achievable through Floor Area Ratio (FAR), is a ratio that limits floor area as a proportion of lot area. Currently, there is no exemption for mechanical equipment to account for the unique needs of biotech development. The

mechanical equipment exemption Downtown is 3.5% and there is none for mechanical equipment in Commercial and Industrial Zones. (The Seattle Cascade Mixed zone has no FAR requirement.) Specialized mechanical equipment requirements for research laboratories consume anywhere from 8% to 15% of overall floor area.

Proposal:

Exempt up to 15 percent of overall floor area for mechanical equipment from FAR calculations.

3. Roof Top Enclosures and Screening

Greater mechanical system demands for biotech development result in the need to cover more roof area with equipment than is allowed by current regulations. The current roof top coverage allowed for penthouses and equipment is 20%, with an increase to 25% if equipment is screened. The equipment needs of biotech development can be three times that of a typical office building.

Proposal:

Increase the allowable roof top coverage area to sixty-five (65) percent if equipment is screened, and provide flexibility in the code so that screening and equipment setbacks may be adjusted depending upon factors such as the height of the building.

4. Parking and Loading

The amount of parking required by the Land Use Code appears to be too high. Laboratory and other uses typically found in biotech buildings have fewer employees per square foot, primarily due to large areas devoted to equipment compared to a standard office. This results in a lower parking demand than currently recognized by the code. Also, biotech workers typically work in shifts resulting in a lower proportion of workers on site at any one time. Both of these factors favor a lower parking requirement**.**

Loading berth requirements also appear to be too high. The code currently requires loading according to categorization of the demand a particular use has for loading and the floor area of the use. The existing code does not recognize the ability for campus style development, such as at the Fred Hutchinson Cancer Research Center, to use a centralized loading facility.

Proposal:

- Revise the minimum amount of parking required for research and development laboratory from the current requirement of 1 space for each 1,000 square feet of floor area to 1 space for each 1,500 square feet.
- Revise the number of loading berths required when centralized facilities are available to serve multiple buildings.

5. Land Use Code Definitions

The current definition of "research and development laboratory" in the Land Use Code does not recognize that institutional entities and private sector biotech firms may operate research and development laboratories. This results in confusion in the permitting

process and potential mislabeling of uses within a development. This has implications for where a use is permitted or prohibited, and how development standards, such as amount of required parking, are applied. In addition, the definition currently requires research and development uses to lead to the production of tangible goods, while the products of biotech related research and development often are "intellectual property," such as formulas and ideas. This modified definition is proposed to apply citywide.

Proposal:

Clarify the definition of "research and development laboratory" as follows:
"Research and development laboratory" means a ((~~commercial~~)) use in which research and experiments leading to the development of new products or intellectual property are conducted. This use may be conducted within the confines of an institutional, clinical or commercial enterprise.

Public Comments

Proposed changes to the Land Use Code require City Council approval. Public comment will be taken on the proposed amendments during future Council hearings.

ANALYSIS - SEPA

The initial disclosure of the potential impacts from this proposal was made in the environmental checklist dated July 22, 2003, prepared by DCLU Policy and Code Development staff. The information in this checklist, review of the proposed text changes, information provided by DCLU's Code Development staff, and the experience of the lead agency with review of similar legislative actions form the basis for this analysis and decision.

Short-term Impacts

As a non-project action, the proposed amendment will not have any short-term impact on the environment. Future projects affected by this legislation and subject to SEPA will be required to address short-term impacts on the environment.

Long-term Impacts

Long-term impacts may result from some or all of the proposed Land Use Code amendments. Although significant adverse impacts are not expected, discussion of SEPA environmental policies for height, bulk, and scale; land use; public views; traffic; and parking is warranted. As with short-term impacts, mitigation of project-specific long-term impacts will be provided as appropriate at the time of environmental review of individual permit applications.

Height, Bulk and Scale

Increased height

The City's SEPA policies for height, bulk and scale state that the height, bulk, and scale of development projects should be reasonably compatible with the general character of anticipated development, and should provide for a reasonable transition between areas of less intensive zoning and more intensive zoning. The policies also attempt to reinforce Seattle's natural topography. The height, bulk and scale of development projects following the proposed code amendments is expected to be reasonably compatible with the general character of development anticipated by the policies implemented by the Land Use Code. The proposal would result in a maximum of 20 additional feet of height to the 65' height limit, 10 additional feet to the 75' height limit and 20 additional feet to the 85' height limit. No changes are proposed for the parts of the neighborhood with 40' and 125' height limits. The increment of change ranges from a maximum of 13 percent more height to 31 percent, with the greatest percentage being 20 additional feet in the 65' zone.

In developing the proposed code amendments, DCLU staff conducted urban design analysis of the development that was estimated to result from adoption of the proposal. This analysis notes that around 35% of the anticipated job growth by 2020 in the South Lake Union Urban Village is expected to be in the biotechnology sector. While other uses would not be prohibited from utilizing the increased heights, the specific development standards to which the increased heights are linked (no net increase in floor area and at least two floors with 14' floor-to-floor heights) suggest that uses that do not require these additional heights to function effectively would be unlikely to make use of them. Therefore, increased height, bulk, and scale as a result of the additional height provisions likely will occur only on selected parcels, not generally throughout the applicable zones. This will limit the aggregate SEPA impacts of multiple developments. Additionally, the portion of South Lake Union that would be most sensitive to increases in allowable height is immediately along the Lake Union shoreline; as zoning adjacent to Lake Union is limited to 40' in height, no increased height would be allowed adjacent to the lake. Given the intermittent application of the additional available height among parcels in South Lake Union and the availability of this option only at sites away from the lake, no significant impact on the height, bulk and scale of development in South Lake Union is expected from adoption of these proposed code changes.

On an individual basis, projects will be evaluated for their height, bulk, and scale impacts at the time of project review; for projects in the Neighborhood Commercial, Commercial, and Seattle Cascade Mixed zones, this will include application of design guidelines through the Design Review process.

Height measurement technique

The proposed code changes would modify the height measurement technique for structures in South Lake Union. The new technique would disregard depressions or

mounds on a parcel that might lead to more or less height allowed in various portions of a parcel. The net effect on a given site would be to extend a maximum allowed height from property line to property line across the site. Although the change for a given parcel might be noticeable, the aggregate development capacity for the South Lake Union area is not expected to change as a result of this proposed code amendment, and the modified height measurement technique is not likely to have a significant SEPA impact.

Rooftop equipment

The proposal includes amending the limits that apply to equipment on the rooftops of buildings. Currently, the code allows rooftop equipment up to 15' above the maximum height limit, but restricts such equipment to 20 percent of the area of the roof, or 25 percent if mechanical equipment is screened or the total includes stair or elevator penthouses. The proposed code changes would allow 65 percent of the rooftop to be covered, and would require screening and a 10 foot setback from the roof edge, with flexibility allowed pursuant to the Design Review program. The net effect of the proposal would be to allow an additional 40 to 45 percent of a roof area to be covered with rooftop equipment. The additional bulk and scale of development in the South Lake Union area, while noticeable, is unlikely to be significant. As equipment could extend 15' above the maximum height limit under both the current and proposed regulations, no additional building height would be allowed through these provisions; the noticeable increase would be somewhat greater rooftop coverage on certain structures. The perceived impacts on the bulk and scale of buildings developed under the new provision would be partially mitigated by the screening and setback requirements. Relative to the overall bulk and scale of any particular development, the apparent bulk and scale of an increase in rooftop coverage allowed by this code provision would be small.

FAR exemptions

The proposed code changes would exempt up to 15 percent of overall floor area for mechanical equipment from floor area ratio (FAR) calculations. To the extent that development potential of a specific site is limited by FAR, this proposal could result in somewhat greater development on that site (although the additional area could only be used for mechanical equipment), potentially increasing the bulk and scale of the building. However, other development standards that limit a site's overall building envelope would continue to apply. Additionally, as FAR only applies to commercial zones with height limits of 85' and to the Industrial Commercial zone, only a limited amount of the land in the South Lake Union area could utilize this change in development regulations. On an areawide basis, the overall bulk and scale impact of this code change would be small. Height, bulk and scale impacts of individual development proposal will be analyzed at the time of project application.

The total effect of these changes would be taller and somewhat larger buildings on certain sites than can be built under the current zoning. The urban design analysis prepared by DCLU Code Development staff indicates that the development expected to take advantage of the proposals is located in the lower part of the neighborhood, generally

along Terry and Westlake Avenues and along Mercer and Republican Streets. In addition, development at the Fred Hutchinson Cancer Research Center campus is also likely to develop according to the proposed amendments. Thus, expected development is in the lower parts of the neighborhood, where the topography lessens the appearance of increased height.

The additional height and bulk of new development allowed by the proposal would not substantially change the transition among zones within the South Lake Union neighborhood, and between the neighborhood and adjacent areas of Seattle. The South Lake Union Urban Village is bounded by Aurora Avenue to the west and I-5 to the east; these boundaries provide effective barriers to any transition impacts that might result. Parcels along the southern edge of the Urban Village largely are zoned with a 125' height limit, which will not change under this proposal. Within the Urban Village, the most noticeable transition likely will be between areas of 40' zoning along Lake Union and nearby areas in which the potential height limit will increase from 65' to 85'. Although some increased height and bulk may be noticeable in these locations, the transitions largely will be mitigated by the primary arterials that form the zone boundaries to the west (Westlake Ave. N), south (Mercer St.), and east (Fairview Ave. N) of the area of 40' zoned height. These arterials have rights-of-way of between 77' and 150', which would provide effective separation between parcels with 40' height limits and adjacent parcels with greater height limits.

The additional height and bulk of new biotech development allowed by the proposal is reasonably compatible with the other types of development allowed by the zoning in the neighborhood. Development regulations in each of the zones in the Urban Village allow development to occupy the entire area of the lots, making building bulk and scale primarily a product of the size and shape of the lot. A variety of lots with a range of sizes exist in the neighborhood, and half and full-block lots are not uncommon. Thus, buildings with a variety of heights and bulks are anticipated in the Urban Village under both current and proposed regulations, consistent with the overall mix of development contemplated for the area. No significant adverse impacts related to the height, bulk and scale of development from the proposed amendments are expected.

Land Use

The intent of the proposed code amendments is to allow biotech development to better compete with other commercial development, particularly administrative office. It is expected that adoption of the proposed amendments would facilitate biotech development, either resulting in more such development than would otherwise happen, or facilitating development that better serves the needs of the biotech industry. However, biotech development currently is an allowed use in all zones in the South Lake Union Urban Village; the proposed code changes would not result in substantially different land use patterns than could result from development under current land use regulations. Forecasted amounts of biotech development for the Urban Village project about 8,000 jobs and 4 million square feet of development to serve those jobs. This type and amount

of development is consistent with the intent of the commercial and industrial/commercial zoning that currently makes up the South Lake Union Neighborhood. No significant negative land use impacts are expected to result from development according to the proposed amendments.

Public Views

It is the City's policy to protect public views of significant natural and human-made features that are specifically listed in the SEPA Public View Protection Policies (SMC 25.05.675 P). Public view protection of the features listed is provided from a specific list of public places. Natural and human-made features to which view consideration is given include the Olympic Mountains and the downtown skyline. Public places from which impacts to views are considered are listed as an attachment to the cited portion of SEPA.

Several of the proposed code changes could potentially alter development standards such that views of specified features could be impacted. These changes include the potential for additional height, the opportunity for increased rooftop coverage and screening, and (in Commercial and Industrial zones) FAR exemptions for mechanical equipment. View analysis shows that, from various places in and around the South Lake Union neighborhood, taller buildings with larger amounts of rooftop coverage do alter views from nearby properties and streets. However, views to specified features from places listed in the SEPA policies are likely to be only marginally impacted. Increased development capacity allowed through the proposed code changes may result in slightly larger structures as viewed from Gasworks Park and Terry Pettus Park (Newton Street-end Park), but these larger structures are not expected to block views of the downtown skyline.

A small increment of additional development capacity will be provided on certain parcels between Gasworks Park and the Space Needle; as documented in the *Space Needle: View Inventory and Assessment* report (April, 2001), developed by the City of Seattle, approximately 20 parcels within the view corridor between Gasworks Park and the Space Needle could achieve greater heights with the proposed code changes. The additional 20' of height allowed under the proposed changes would represent only a small increase in development capacity on these parcels. Given the scale of development allowed by the existing code and the distance between Gasworks Park and the Space Needle (roughly two miles), and the likelihood that only biotech uses will elect to pursue the additional height, the additional development capacity may not be noticeable. Any noticeable change would be a slight encroachment on the view of the base of the Space Needle by somewhat taller buildings.

Similarly, additional development capacity allowed by the proposed code changes to certain South Lake Union parcels may result in slightly larger buildings in the view corridor between the Space Needle and Volunteer Park. The *View Inventory* report referenced above identifies approximately 40 parcels within this view corridor. Depending on the existing zoning, structures in this view corridor could gain an

additional 10' or 20' in height. Even the increased 20' in height would represent only a small increase in development capacity on specific parcels. As with the Gasworks Park view corridor, the scale of development allowed under current regulations, the distance between Volunteer Park and the Space Needle (also approximately two miles), and the likely use of the greater height limits only by biotech development may result in the additional development capacity being unnoticeable. Any noticeable change would be a slight encroachment on the view of the base of the Space Needle by somewhat taller buildings.

Based on consideration of potential impacts to views of specified significant features from public places, no significant adverse impacts to public views are expected from the proposed code changes.

Traffic

The intent of the proposed amendments is to allow biotech development to achieve the same amount of floor area currently available to other types of commercial development. The additional height for structures in South Lake Union can only be obtained if the structure includes at least two floors with a floor-to-floor height of at least 14 feet, and if the additional height does not allow the number of floors in the structure to exceed the total number of floors otherwise anticipated with floor-to-floor heights of 11 feet. These restrictions make it unlikely that more development capacity will be created by the adoption of the additional height provisions in the proposal; therefore, no additional trips are expected to be generated by projects making use of the greater height limits. The FAR exemption for mechanical equipment up to 15 percent of the gross floor area may slightly increase the usable floor area for biotech developments; however, the effect would be to more nearly balance the likely developable floor area on a given site for biotech uses with other commercial uses, which typically utilize a greater proportion of their floor area for functions that generate trips (employees, customer service, etc.). No significant or substantial traffic impacts are expected from the proposed code changes; traffic impacts of specific proposed developments will be analyzed at the project level.

Parking

The proposed code change for parking ratios would require one space for each 1,500 square feet of research and development laboratory use in the South Lake Union Urban Village; the current code requirement is one space for each 1,000 square feet. As noted above, research and development laboratories typically have lower employee densities than administrative office uses (for which parking requirement is one space/1,000 square feet). Due to lower employee densities, a research and development facility likely will generate less parking demand than a similarly-sized office development. Additionally, employees at research and development laboratories are more likely to work multiple shifts than are office employees, reducing the number of employees on site at any given time. The presumption of decreased parking demand of research facilities compared to

office uses is supported by data from the Institute of Transportation Engineers Parking Generation manual (2nd edition), which reports a peak parking demand rate for research centers that is roughly 63% of the peak parking demand rate for office developments. Based on the lower employee densities of research and development laboratories, the multiple work shifts, and the relative peak parking demands as reported by ITE, the proposed reduction in required parking for research and development laboratories is unlikely to have a significant parking impact per SEPA. At the individual project level, SEPA analysis will evaluate the parking impacts of a proposed development at the time of project application, and, except in the Seattle Cascade Mixed zone, SEPA authority can be used to require additional parking if such is needed to control spillover impacts.

The proposed code changes would provide greater flexibility in applying loading berth requirements for buildings that are part of a campus setting where loading is provided at a centralized facility. The adequacy of this facility for the loading needs of a particular building must be demonstrated before the loading berth requirements can be waived or modified. This demonstration of adequacy will limit the possibility of off-site impacts resulting from reduced loading requirements. No SEPA impacts related to the modification to loading standards are anticipated.

DECISION - SEPA

The decision was made after review by the responsible official on behalf of the lead agency of a completed environmental checklist and other information on file with the responsible department. This constitutes the Threshold Determination and form. The intent of this declaration is to satisfy the requirements of the State Environmental Policy Act (RCW 43.21C), including the requirement to inform the public agency decisions pursuant to SEPA.

[X] Determination of Non-Significance. This proposal has been determined to not have a significant adverse impact upon the environment. An EIS is not required under RCW 43.21C.030 2c.

[ ] Determination of Significance. This proposal has or may have a significant adverse impact upon the environment. An EIS is required under RCW 43.21C.030 2c.

RECOMMENDED CONDITIONS - SEPA

None.

Signature _____ Date:_____

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